



Texas Department of Insurance

Division of Workers' Compensation

Medical Fee Dispute Resolution, MS-48

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

TEXAS HEALTH OF STEPHENVILLE
3255 W PIONEER PKWY
PANTEGO TX 76013-4620

Respondent Name

HARTFORD FIRE INSURANCE COMPANY

Carrier's Austin Representative Box

Box Number 47

MFDR Tracking Number

M4-12-2414-01

MFDR Date Received

March 20, 2012

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Since TDI moved to a 200% of MAR for outpatient services on 3/1/08 for hospital claims, we have reviewed the Medicare allowance and decided the insurance reimbursement does not meet this criteria. Medicare would have allowed this facility \$6,556.41 per the OUTLIER calculations."

Amount in Dispute: \$4,331.55

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The provider is asserting this bill qualifies for outlier treatment and has calculated that an additional \$4,331.55 is owed. Payer disagrees with this amount and requests the State review the claim and determine (1) whether this bill qualifies for outlier treatment and (2) if so, what the proper outlier treatment should be."

Response Submitted by: The Hartford, 306 S. State St., Syracuse, New York 13202

SUMMARY OF FINDINGS

Date(s) of Service	Disputed Services	Amount In Dispute	Amount Due
July 18, 2011	Outpatient Hospital Services	\$4,331.55	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
2. 28 Texas Administrative Code §134.403, titled *Hospital Facility Fee Guideline – Outpatient*, sets out the reimbursement guidelines for facility services provided in an outpatient acute care hospital.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:
 - W1 – WORKERS' COMPENSATION JURISDICTIONAL FEE SCHEDULE ADJUSTMENT

Issues

1. Are the disputed services subject to a contractual agreement between the parties to this dispute?
2. What is the applicable rule for determining reimbursement for the disputed services?
3. What is the recommended payment amount for the services in dispute?
4. Is the requestor entitled to reimbursement?

Findings

1. Review of the submitted documentation finds no information to support that the disputed services are subject to a contractual agreement between the parties to this dispute.
2. This dispute relates to facility services performed in an outpatient hospital setting with reimbursement subject to the provisions of 28 Texas Administrative Code §134.403, which requires that the reimbursement calculation used for establishing the maximum allowable reimbursement (MAR) shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the Federal Register with the application of minimal modifications as set forth in the rule. Per §134.403(f)(1), the sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 200 percent, unless a facility or surgical implant provider requests separate reimbursement of implantables. Review of the submitted documentation finds that separate reimbursement for implantables was not requested.
3. Under the Medicare Outpatient Prospective Payment System (OPPS), each billed service is assigned an Ambulatory Payment Classification (APC) based on the procedure code used, the supporting documentation and the other services that appear on the bill. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC per encounter. Payment for ancillary and supportive items and services, including services that are billed without procedure codes, is packaged into payment for the primary service. A full list of APCs is published quarterly in the OPPS final rules which are publicly available through the Centers for Medicare and Medicaid Services (CMS) website. Reimbursement for the disputed services is calculated as follows:
 - Procedure code 90471 has a status indicator of S, which denotes a significant procedure, not subject to multiple-procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 0436, which, per OPPS Addendum A, has a payment rate of \$26.35. This amount multiplied by 60% yields an unadjusted labor-related amount of \$15.81. This amount multiplied by the annual wage index for this facility of 0.9384 yields an adjusted labor-related amount of \$14.84. The non-labor related portion is 40% of the APC rate or \$10.54. The sum of the labor and non-labor related amounts is \$25.38. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,025. The outlier payment amount is \$0. The total APC payment for this service is \$25.38. This amount multiplied by 200% yields a MAR of \$50.76.
 - Procedure code 90472 has a status indicator of S, which denotes a significant procedure, not subject to multiple-procedure discounting, paid under OPPS with separate APC payment. This service is classified under APC 0436, which, per OPPS Addendum A, has a payment rate of \$26.35. This amount multiplied by 60% yields an unadjusted labor-related amount of \$15.81. This amount multiplied by the annual wage index for this facility of 0.9384 yields an adjusted labor-related amount of \$14.84. The non-labor related portion is 40% of the APC rate or \$10.54. The sum of the labor and non-labor related amounts is \$25.38. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,025. The outlier payment amount is \$0. The total APC payment for this service is \$25.38. This amount multiplied by 200% yields a MAR of \$50.76.
 - Procedure code 99281 has a status indicator of V, which denotes a clinic or emergency department visit paid under OPPS with separate APC payment. This service is classified under APC 0609, which, per OPPS Addendum A, has a payment rate of \$51.77. This amount multiplied by 60% yields an unadjusted labor-related amount of \$31.06. This amount multiplied by the annual wage index for this facility of 0.9384 yields an adjusted labor-related amount of \$29.15. The non-labor related portion is 40% of the APC rate or \$20.71. The sum of the labor and non-labor related amounts is \$49.86. The cost of this service does not exceed the annual fixed-dollar threshold of \$2,025. The outlier payment amount is \$0. The total APC payment for this service is \$49.86. This amount multiplied by 200% yields a MAR of \$99.72.
 - Procedure code 90376 has a status indicator of K, which denotes nonpass-through drugs and biologicals paid under OPPS with separate APC payment. This service is classified under APC 9134, which, per OPPS Addendum A, has a payment rate of \$159.71. This amount multiplied by 60% yields an unadjusted labor-related amount of \$95.83. This amount multiplied by the annual wage index for this facility of 0.9384 yields an adjusted labor-related amount of \$89.93. The non-labor related portion is 40% of the APC rate or \$63.88. The sum of the labor and non-labor related amounts is \$153.81 multiplied by 5 units is \$769.05. Per 42

Code of Federal Regulations §419.43(f) and Medicare Claims Processing Manual, CMS Publication 100-04, Chapter 4, §10.7.1, drugs, biologicals, and items and services paid at charges adjusted to cost are not eligible for outlier payments. The total APC payment for this service is \$769.05. This amount multiplied by 200% yields a MAR of \$1,538.10.

- Procedure code 90675 has a status indicator of K, which denotes nonpass-through drugs and biologicals paid under OPPS with separate APC payment. This service is classified under APC 9139, which, per OPPS Addendum A, has a payment rate of \$200.66. This amount multiplied by 60% yields an unadjusted labor-related amount of \$120.40. This amount multiplied by the annual wage index for this facility of 0.9384 yields an adjusted labor-related amount of \$112.98. The non-labor related portion is 40% of the APC rate or \$80.26. The sum of the labor and non-labor related amounts is \$193.24. Per 42 Code of Federal Regulations §419.43(f) and Medicare Claims Processing Manual, CMS Publication 100-04, Chapter 4, §10.7.1, drugs, biologicals, and items and services paid at charges adjusted to cost are not eligible for outlier payments. The total APC payment for this service is \$193.24. This amount multiplied by 200% yields a MAR of \$386.48.
4. The total allowable reimbursement for the services in dispute is \$2,125.82. This amount less the amount previously paid by the insurance carrier of \$2,224.86 leaves an amount due to the requestor of \$0.00. No additional reimbursement can be recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 reimbursement for the disputed services.

Authorized Signature

_____	<u>Grayson Richardson</u>	<u>November 14, 2012</u>
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision* together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party.****

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.